

**MINUTES OF REGULAR MEETING
OF BOARD OF DIRECTORS
OF LOCKWOOD WATER AND SEWER DISTRICT**

July 10, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on July 10, 2019. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Water and Sewer District Office, 1644 Old Hardin Road, Billings, Montana.

Present at the meeting were Board members' Carl Peters, Nancy Belk, Carlotta Hecker, Merrill Walker and Stuart Deans. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, Jill Cook, P.E., of Morrison-Maierle, Inc., and Evelyn Pyburn, *Yellowstone County, News*.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the June 12, 2019 Board meeting were presented for approval. One correction was noted on Page 5, Task **Oder** No. 11 should be Task **Order** No. 11.

- I. Stuart Deans moved to approve the minutes of the June 12, 2019 Board meeting as corrected. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS:

- * **Superior Builders, Inc., petition for inclusion into Water District Boundary, Fraction of the North ½ Section 28, less the NW 1/4 of the SW 1/4 of the NE 1/4, Section 28, Emerald Hills 2nd Filing, Emerald Hills 3rd Filing, Emerald Hills Westgate 2nd Filing, Certificate of Survey 2674 Amended, and Emerald Hills Acreage Tracts Subdivision 5th Filing (Tax ID Do6545).**

Manager Ariztia presented a map of the property petitioned for inclusion by Superior Builders, Inc., blue representing property previously included in the District, designated as Phase I. Phase II, requested for inclusion in this petition, will encompass 16 lots, and is designated in yellow. Phase I currently has all the water mains installed. They have been chlorinated and pressure tested and are in place.

The petition requests that all the property set forth in the above description (pink and yellow) be brought into the District boundary. There are elevation level problems that will have to be addressed. At present, Lots 14, 15 and Lot 4 are questionable due to elevation height limit and the District's ability to adequately provide water to the property.

The Board's consensus was to allow Phase II properties (designated yellow) in at this time. Manager Ariztia will present an ordinance at the August meeting with verbiage to the effect if the sewer boundary ever extends to the other properties, they will automatically be included.

Copy of Petition and map attached to minutes

- * Approval of Task Order No. 12 to the Water Master Agreement with Morrison-Maierle, to perform design and Bidding Phase services for the 2020 Water Treatment Plant Improvements Project.**

Jill Cook of Morrison-Maierle presented for approval Task Order No. 12 covering the design and bidding for treatment train Nos. 3 and 4, Lockwood 2020 Water Treatment Plant improvements Project, described as follows:

Preliminary and Final Design Phase Services including survey, engineering, geotechnical investigations and permitting for the 2020 Water Treatment Plant improvements Project as described in the 2018 Water Master Plan Update. The project also includes addition of UV disinfection as described in the June 8, 2019 Long Term 2 Surface Water Treatment Rule Compliance memo.

At the present time, the District plans on funding the project with an SRF loan, TSEP grant, RRGL grant, and the Army Corps of Engineers grant. An environmental review will be conducted for the Army Corps under a separate task order, so that is excluded from this task order. Total cost for these services are estimated to be \$491,000.00.

Preliminary design will commence in July carrying through September. Final design completion is contemplated for May, 2020 in anticipation of going out for bid in June of 2020.

- II. Merrill Walker moved to approve Task Order No. 12 to the Water Master Agreement with Morrison-Maierle for design and bidding for the 2020 Water Treatment Plant Improvements Project in the amount of \$491,000. Nancy Belk seconded the motion. Motion carried.

Task Order No. 12 with Attachment A attached to minutes

- * Approval of Amendment #1 to the Water Master Agreement with Morrison-**

Maierle, to add Exhibit 1.

Jill Cook advised that Task Order No. 12 is an order stemming off of the base agreement between the District and Morrison-Maierle dated October 8, 2014. Amendment No. 1 to the Owner-Engineer Agreement was omitted from the original agreement, set forth in Exhibit I, Allocation of Risks. Jill advised that unless a funding agency would not allow it, this exhibit is always included in their master agreement.

The modifications cover Limitations of Engineer's Liability; Conditions Beyond the Control of the Engineer; Statute of Limitations; and, Betterment. Jill explained each segment of the Amendment to the Board. Questions arose over the "Betterment" portion of the Amendment. Jill explained the concept of betterment is if you're going to pay what you would have paid had it all been included originally, that you don't penalize the engineer for leaving that out. This provision was included in Phase 1 sewer contract; Phase II it did not because of the RD funding. After much further discussion, the Amendment was approved.

- III. Stuart Deans moved to approve Amendment No. 1 to Owner-Engineer Agreement between Lockwood Water and Sewer District and Morrison-Maierle. Nancy Belk seconded the motion. Motion carried.

Amendment No. 1 attached to minutes

*** Discussion and Possible direction on the function and design of the Prairie Drive Bulk Water Station.**

Manager Ariztia started off with a discussion on how the District was going to take payments. He provided pictures to the Board of the Blue Creek Fill station, which he had visited earlier. Their method of payment is a prepaid water card that you can purchase with a debit or credit card, and it is done onsite. There is no cash involved, and the machine keeps track of your water purchases. Manager Ariztia will contact the Blue Creek manager when he returns for more details. The machine is built by Wash Card Systems, which is primarily car wash technology, but they have customized to accommodate a water station.

Jill advised she has been focusing on Flow Point as the supplier of the station. The Flow Point system uses a pin number, and each account or each person has a pin number, resulting in no cash transactions. The pin number system can either be pre-loaded or paid for by a monthly bill. It is not mandatory that you use accounts and a pin number. A credit card acceptor can be added to the system, so people would just use their credit card to purchase water.

Some of the decisions involved are who does the District want to serve, i.e., what size tanks, pickups with trailers, larger trucks, etc., how many fill points, which at this point are two. Flow rate requirements, 125 gallons per minute. Flow Point recommends a minimum flow rate of 265 gallons per minute, which will fill a larger truck in 15 minutes.

Manager Ariztia advised he would prefer having a fill station that does not have pumps in it to increase the flow or the pressure; that it would operate so that whatever the system pressure is and whatever the diameter of the pipe is, would determine what the flow is because he does not want to get into maintenance issues with pumps that increase the pressure.

One option that was felt to be necessary was radiant heaters under the concrete flooring on both sides for each fill to prevent ice buildup. Overhead and bottom fills were discussed and options will be looked at further. Most likely there would be a cellular connection for communication with the station unless there was access to a regular land line. There will have to be some form of communication to enable the credit card processing machine to work.

For power requirements, there is overhead power that can be utilized. Site lighting is a consideration. The size of the building needs to be decided upon, and the consensus is the building only has to accommodate the controls, some piping and valves, one fill point on each side and the internal components to include whatever type of boiler or pump system for the radiant floor heat. Manager Ariztia prefers a concrete block building, and the Board agreed. Graffiti sealant will be put on the building. More discussion will be held at next month's meeting.

OLD BUSINESS:

None.

FINANCIAL REPORTS

Current trial balance from Yellowstone County not received.

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Period June, 2019; Trial Balance with Revenue and Expenditures for the Accounting Period June, 2019; Statement of Revenue Budget vs. Actual for the Accounting Period Statement, June, 2019; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period June, 2019.

APPROVAL OF BILLS DUE FOR SIGNATURE:

IV. Merrill Walker moved to approve payment of the bills submitted on the Check/Claim Detail List. Nancy Belk seconded the motion.

Motion carried.

OTHER BUSINESS:

* **Johnson Lane Highway 87 waterline update**

Manager Ariztia reported that the plans have been completed. An advertisement for bids was submitted to run the next three weeks in the *Yellowstone County News*. After the three weeks, there will be a bid opening August 1st. As it is structured now, schedule 1 extends all the way to Highway 87, and has the extension down Prairie which will feed the bulk water station. Schedule 2 is Highway 87 East. The total footage is 4300 feet.

MANAGER REPORTS:

The water pumping record is as follows:

June, 2018	25,780,700
June, 2019	31,018,700

Wastewater record:

May, 2018	5,342,964
May, 2019	2,538,712
May, 2019 Exxon Wastewater	61,002,000

With regard to the Army Corps of Engineers grant, a fully executed agreement was received in the mail this week, and the funds in the amount of \$212,000 have been allocated.

There are two high service pumps that pump water out to the system, one of them had a failed motor. The motor was pulled and inspected, and it was rebuilt in less than two weeks. It was installed and both pumps are now running. This could have been a very serious situation, therefore, Manager Ariztia ordered a new motor to keep at the plant as a backup.

There was another meeting of the TEDD consisting of the City Manager, Manager Ariztia, Woody Woods, chairman for the TEDD, Big Sky Economic Development, along with some property owners in that area just to get a feel for what's going on and whether they would be open to some different options as far as how they felt on annexation and other options available. Presently it is stagnant until the City and County resolve who has jurisdiction over the TEDD.

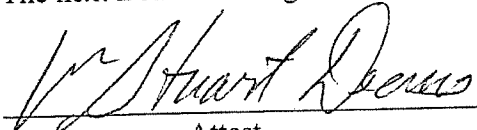
There has been some settling of the streets due to excessive wet weather and irrigation ditches being back on in Phase II. Milling and patching was done on Becraft to repair a large dip in the street that had formed.


ADJOURNMENT:

- V. Nancy Belk moved to adjourn the meeting. Merrill Walker seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:45 p.m.

The next Board meeting will be held on August 14, 2019.


Attest


Attest

**MINUTES OF REGULAR MEETING
OF BOARD OF DIRECTORS
OF LOCKWOOD WATER AND SEWER DISTRICT**

August 14, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on August 14, 2019. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Water and Sewer District Office, 1644 Old Hardin Road, Billings, Montana.

Present at the meeting were Board members' Carl Peters, Nancy Belk, Carlotta Hecker, Merrill Walker and Stuart Deans. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, and Jill Cook, P.E., of Morrison-Maierle, Inc.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the July 10, 2019 Board meeting were presented for approval. One correction was noted on Page 4, third paragraph, after the word "valves", omit "the two fill stations", and change to "**one fill point on each side**".

- I. Merrill Walker moved to approve the minutes of the July 10, 2019 Board meeting as corrected. Stuart Deans seconded the motion. Motion carried.

A brief discussion was held regarding the basic design of the new bulk station, including radiant floor (slab) heating, size and structure of the building, and method of payment. President Peters inquired as to how important the flow rate is. Manager Ariztia reiterated his desire that the flow rate be determined by the diameter of the pipe and the system pressure. He does not want to deal with pumps to increase the flow or the pressure. Assistant Manager Reed advised they have a valve that regulates the flow rate at 125 gallons a minute.

NEW BUSINESS:

- * **Award of construction contract for the Johnson Lane Water Main Extension Project to KLE Construction**

At bid opening on August 1, 2019, KLE Construction submitted the low bid for the construction contract in the amount of \$658,495.00, and presented the required qualifications.

Merrill Walker seconded the motion. Motion carried.

Ordinance 2019-1 was read into the record by Carlotta Hecker as follows:

CERTIFICATE AS TO ORDINANCE AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the Lockwood Area/Yellowstone County Water and Sewer District, Montana (the "District") hereby certify that the attached Ordinance is a true copy of an Ordinance entitled: "AN ORDINANCE OF THE LOCKWOOD AREA/YELLOWSTONE COUNTY WATER AND SEWER DISTRICT, MONTANA, GRANTING THE PETITION OF SUPERIOR BUILDERS LLP, TO INCLUDE LANDS INTO THE WATER DISTRICT BOUNDARY AND INTO WATER DISTRICT #1 (the Ordinance), on file in the original records of the District in my legal custody; that the Ordinance was duly adopted by the Board of Directors of the District at a regular meeting on August 14, 2019, and that the meeting was duly held by the Board of Directors and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Ordinance has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Ordinance at said meeting, the following Directors voted in favor thereof: Carl Peters, Merrill Walker, Carlotta Hecker, Nancy Belk and Stu Deans; voted against the same: None; abstained from voting thereon: None; or were absent: None.

WITNESS my hand and seal officially this 14th day of August, 2019.

Secretary/Treasurer LWSD

Manager Ariztia confirmed to President Peters that the Ordinance covers 16 residential lots. The subdivision is going to put in 15 residential lots, but there is going to be a 16th lot which is the remainder of the property after the subdivision, which is why "not to include the remaining larger portion . . ." was set forth in the Ordinance.

Copy of Ordinance attached to minutes

*** Discussion and possible motion regarding annual wage increases for fiscal year 2020**

After discussion and comparison of wages at various entities in Montana, the Board agreed that a 3% raise in wages for all employees was appropriate.

- V. Nancy Belk moved to approve a 3% employee wage increase for fiscal year 2020. Carlotta Hecker seconded the motion. Motion carried.

Wastewater record:

June, 2018	5,512,012
June, 2019	4,404,224
June, 2019 Exxon Wastewater	58,577,000

As far as the TEDD, the District is still dealing with the City. Manager Ariztia will keep the Board apprised of any new developments.

Manager Ariztia advised he is exploring alternatives for obtaining water rights. He has been working with Matt Williams, the water rights attorney, and Jill Cook and her office, in an attempt to find a solution.

Manager Ariztia will not be available the next Board meeting date, September 11. The Board agreed to an earlier meeting date of September 4th.

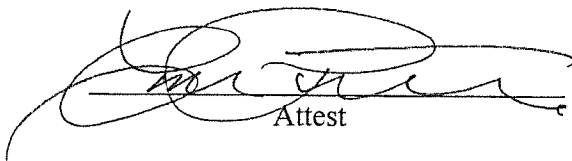
August 22nd, the Optimist Club will be holding a dedication for the bench they did based on ten items that were accomplished during a specific time frame. One of them is the Phase II sewer project, so Manager Ariztia was asked to be there to explain the Phase II project, what it accomplished, etc. It will be held at the Lions Lair at Lockwood school at 6 p.m.

ADJOURNMENT:

VIII. Carlotta Hecker moved to adjourn the meeting. Stuart Deans seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:20 p.m.

The next Board meeting will be held on September 4, 2019.


Attest


Attest

**MINUTES OF REGULAR MEETING
OF BOARD OF DIRECTORS
OF LOCKWOOD WATER AND SEWER DISTRICT**

September 4, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on September 4, 2019. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Water and Sewer District Office, 1644 Old Hardin Road, Billings, Montana.

Present at the meeting were Board members' Carl Peters, Nancy Belk, Carlotta Hecker, Merrill Walker and Stuart Deans. Also present was Manager Mike Ariztia and Assistant Manager Tony Reed.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

Nancy Belk questioned if the new bulk station will have higher dispenser capabilities than the current station. Manager Ariztia responded they have discussed having one side about the same as the present bulk station, and then having the other side a little bit higher to accommodate some of the taller trucks, so the small ones can still come in one side, and the other side can serve medium to tall trucks.

APPROVAL OF MINUTES:

The minutes of the August 14, 2019 Board meeting were presented for approval.

Corrections were as follows: Page 1, third paragraph from bottom, change "regulates that pressure" to read "regulates the **flow rate** at 125 gallons a minute."

Page 2, clarify hourly rate language to read, "at a **project total not to exceed \$105,900.00**", omitting "hourly rate".

Page 5, clarify LWSD water rights attorney as **Matt Williams**.

Page 5, modify statement on the TEDD.

- I. Merrill Walker moved to approve the minutes of the August 14, 2019 Board meeting with the corrections as noted. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS:

*** Approval of 2019 Mill Levy for Phase I Sewer G.O. Bond**

Manager Ariztia explained the calculation of the GO Bond payment for the 2019 Mill Levy. The Phase 1 real property taxable valuation for 2019 is \$4,002,665; the 2017 real property taxable valuation was \$5,177,944, resulting in a 2018 Mill Levy of 112. The GO Bond Mill Levy for 2019 is 145. There appears to be some question in regard to centrally assessed properties, and whether they are part of the assessments because they are dealt with at a different division of the Department of Revenue. Manager Ariztia provided the DOR with a copy of the Resolution creating the Phase 1 District, all the information on what's been done and the legal description of the Phase 1 boundary. Robin at the DOR is verifying parcels and sending the information to Helena to try and correct the assessments. For this tax year, the 145 Mill Levy will not change.

- II. Nancy Belk moved to raise the Phase 1 2019 Mill Levy to 145 mills. Carlotta Hecker seconded the motion. Motion carried.

Copy of Mill Levy calculations attached to minutes

OLD BUSINESS:

None.

FINANCIAL REPORTS

Current trial balance from Yellowstone County not received.

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Period August, 2019; Trial Balance with Revenue and Expenditures for the Accounting Period August, 2019; Statement of Revenue Budget vs. Actual for the Accounting Period Statement, August, 2019; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period August, 2019.

APPROVAL OF BILLS DUE FOR SIGNATURE:

- III. Nancy Belk moved to approve payment of the bills submitted on the Check/Claim Detail List. Carlotta Hecker seconded the motion. Motion carried.

OTHER BUSINESS:

*** 2020 Water Treatment Plant Upgrade Project design update**

There is nothing significant happening on the treatment plant upgrade. Morrison-Maierle is continuing to work on providing the Basis of Design Report for review in October.

*** 2019 Johnson Lane Highway 87 Water Main Project Update**

The preconstruction meeting was held on September 4. Construction is tentatively scheduled to start on September 16. Letters have been sent advising LWSD is putting a main line in. Locations will be marked on where LWSD is stubbing out service to properties. Anyone wanting to connect to water will have to request to be brought into the service boundary. Original estimate for completion of construction is 70 days.

MANAGER REPORTS:

The water pumping record is as follows:

August, 2018	44,071,000
August, 2019	49,297,700

Wastewater record:

July, 2018	4,900,896
July, 2019	4,244,152
July, 2019	Exxon Wastewater
	73,171,000

Manager Ariztia reported that the yearly audit is being done this week, and so far everything is going smoothly with the audit.

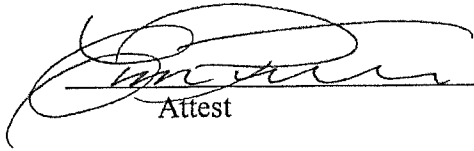
President Peters suggested Manager Ariztia look into the possibility of the District purchasing water rights from the Irrigation District. Manager Ariztia advised he would research the matter to find out if it could be done.

ADJOURNMENT:

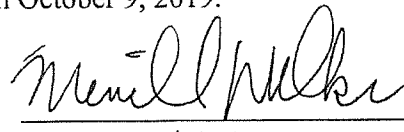
IV. Nancy Belk moved to adjourn the meeting. Carlotta Hecker seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 7:45 p.m.

The next Board meeting will be held on October 9, 2019.



Attest



Attest

**MINUTES OF REGULAR MEETING
OF BOARD OF DIRECTORS
OF LOCKWOOD WATER AND SEWER DISTRICT**

October 9, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on October 9, 2019. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Water and Sewer District Office, 1644 Old Hardin Road, Billings, Montana.

Present at the meeting were Board members' Carl Peters, Carlotta Hecker, Merrill Walker and Stuart Deans. Board member Nancy Belk was absent. Also present was Manager Mike Ariztia. Assistant Manager Tony Reed was in Bozeman, MT for training update classes.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the September 4, 2019 Board meeting were presented for approval. One correction was noted on Page 3, under Johnson Lane Update, fourth sentence, change "Anyone wanting to connect to sewer" to "Anyone wanting to connect to **water**". . .

- I. Stuart Deans moved to approve the minutes of the September 4, 2019 Board meeting with the correction as noted. Carlotta Hecker seconded the motion. Motion carried.

NEW BUSINESS:

- * **Discussion of the possibility to offer assistance to the Worden Ballantine Water and Sewer District.**

Merrill Walker shared that when Lockwood Water District was formed, it had a similar problem with nitrates in the groundwater wells, as Worden Ballantine is having now, and that problem was part of the reason Lockwood obtained funding to upgrade its plant. He believes that it would be good will to help the neighboring Worden Ballantine District. Manager Ariztia will contact their District Board to find out what would be the best way to provide aid.

- * **Discussion to look into the possibility of acquiring additional water rights from the Lockwood Irrigation District.**

Manager Ariztia again raised the possibility of acquiring Lockwood Irrigation District water rights. Per Manager Ariztia, the Irrigation District is willing to entertain the idea, but they would like LWSD to participate in a study of the Irrigation District water rights to see what rights it has, what it is currently using, and what the forecast is as far as irrigation use in the future. Manager Ariztia will contact the Irrigation Board and request the matter be placed on the next Irrigation Board meeting agenda for formal discussion.

OLD BUSINESS:

None.

FINANCIAL REPORTS

Current trial balance from Yellowstone County not received.

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Period September, 2019; Trial Balance with Revenue and Expenditures for the Accounting Period September, 2019; Statement of Revenue Budget vs. Actual for the Accounting Period September, 2019; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period September, 2019.

APPROVAL OF BILLS DUE FOR SIGNATURE:

- II. Stuart Deans moved to approve payment of the bills submitted on the Check/Claim Detail List. Merrill Walker seconded the motion. Motion carried.

OTHER BUSINESS:

*** 2020 Water Treatment Plant Upgrade Project design update**

This is still in the beginning phases. Manager Ariztia has received five technical memos from Morrison-Maierle for review. He also met with two engineers from MMI to go through the plant and discuss plan designs. The design phase had not been completed as of yet.

*** 2019 Johnson Lane Highway 87 Water Main Project Update**

KLE Construction has started construction on the update. They cut off the flush-out assembly, tied into that, and put in a new 12" valve along with about 20 feet of pipe. The bore underneath Johnson Lane has been completed at Prairie drive. The connections were completed and the 6" stub for the bulk water station and fire hydrant assembly have been installed.

They are hoping now to get started on digging down Johnson Lane and installing pipe. They will have to tie in at Prairie Drive, tie across Johnson Lane at 87. Once they get that

finished, they're going to move up to the mobile park home on 87 and start working their way back towards Johnson Lane.

Manager Ariztia signed Change Order No. 1 for the Johnson Lane project in the amount of \$3,000, to increase the size of the water services from 3/4" to 1".

MANAGER REPORTS:

The water pumping record is as follows:

September, 2018	32,193,800
September, 2019	38,520,000

Wastewater record:

August, 2018	3,946,448
August, 2019	4,468,552

August, 2019 Exxon Wastewater	90,411,508
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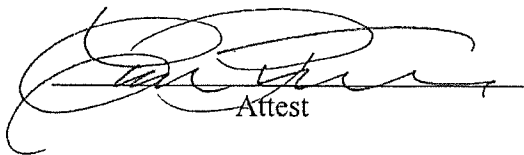
The lifting coating was removed and cleaned from the top of the clear well at the plant.

ADJOURNMENT:

- III. Merrill Walker moved to adjourn the meeting. Carlotta Hecker seconded the motion. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 7:35 p.m.

The next Board meeting will be held on November 13, 2019.



Attest



Attest

**MINUTES OF REGULAR MEETING
OF BOARD OF DIRECTORS
OF LOCKWOOD WATER AND SEWER DISTRICT**

November 13, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on November 13, 2019. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Water and Sewer District Office, 1644 Old Hardin Road, Billings, Montana.

Present at the meeting were Board members' Carl Peters, Carlotta Hecker, Nancy Belk, and Stuart Deans. Board member Merrill Walker was absent. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, Jill Cook, of Morrison-Maierle, and Evelyn Pyburn of *Yellowstone County News*.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

None.

APPROVAL OF MINUTES:

The minutes of the October 9, 2019 Board meeting were presented for approval. One correction was noted on Page 2, under Johnson Lane Update, first sentence, "KE" Construction should be "**KLE**" Construction.

- I. Stuart Deans moved to approve the minutes of the October 9, 2019 Board meeting with the correction as noted. Nancy Belk seconded the motion. Motion carried.

NEW BUSINESS:

- * **Approval of Pay Application #1 to KLE Construction for the Johnson Lane Hwy 87 East water main extension**

KLE presented Pay Application #1 for the Johnson Lane Main Line extension in the amount of \$477,412.05.

- II. Nancy Belk moved to approve payment of Pay Application #1 from KLE Construction in the amount of \$477,412.05. Carlotta Hecker seconded the motion. Motion carried.

building, and the parameters set out in Table 2. Jill will present a task order for design at the December Board meeting. The structural design of the building will be done by the precast supplier.

Copy of Technical Memorandum attached to minutes

OLD BUSINESS:

None.

FINANCIAL REPORTS

Trial balance from Yellowstone County as of 10/31/19 is \$5,528.55.

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Period October, 2019; Trial Balance with Revenue and Expenditures for the Accounting Period October, 2019; Statement of Revenue Budget vs. Actual for the Accounting Period Statement, October, 2019; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period October, 2019.

APPROVAL OF BILLS DUE FOR SIGNATURE:

- IV. Nancy Belk moved to approve payment of the bills submitted on the Check/Claim Detail List. Stuart Deans seconded the motion. Motion carried.

OTHER BUSINESS:

*** 2020 Water Treatment Plant Upgrade Project design update**

Jill Cook reported that they are currently still in preliminary design. They are working on a basis of design report where they develop all of the design criteria for the improvement. They have developed draft tech memos for most of the basis of design report. The tech memos have been sent to Manager Ariztia, reviewed by Assistant Manager Reed and Nick Baker. A meeting was held between the parties to talk through the tech memos that have been completed to date. Parties from Suez met with the group to clarify they had a clear understanding of what the existing system is. Suez is the manufacturer of the super pulsators, which are plate settlers for the clarifiers. They will be sole-sourced from Suez.

Geotech is scheduled to have the building design in December, and will shortly be transitioned from preliminary design into final design with the goal to get the project out to bid and in construction by early summer 2020.

**MINUTES OF REGULAR MEETING
OF BOARD OF DIRECTORS
OF LOCKWOOD WATER AND SEWER DISTRICT**

December 11, 2019

The regular meeting of the Lockwood Water and Sewer District Board of Directors was held on December 11, 2019. President Peters called the meeting to order at 7:00 p.m. in the conference room of the Lockwood Water and Sewer District Office, 1644 Old Hardin Road, Billings, Montana.

Present at the meeting were Board members' Carl Peters, Carlotta Hecker, Nancy Belk, Merrill Walker and Stuart Deans. Also present was Manager Mike Ariztia, Assistant Manager Tony Reed, Jill Cook, of Morrison-Maierle, and guests, Evelyn Pyburn of *Yellowstone County News*, and Dan Belk.

Attendance and Voting Record attached to minutes

PUBLIC COMMENT:

Merrill Walker advised he had occasion to talk to Jim Sannon who lives on Quinella. Mr. Sannon's mother owns property between Quinella and Noblewood. Mr. Sannon is open to the idea of conveying an easement through her property for Phase 3 of the sewer project, which runs all the way from Noblewood to Quinella. He advised he could not convey it for free, but did not give sales figure. Merrill thought it would be advantageous to have the engineers take a look at the possibility of savings to the District if an easement could be obtained between Noblewood and Quinella.

APPROVAL OF MINUTES:

The minutes of the November 13, 2019 Board meeting were presented for approval. Two corrections were noted: on Page 3 under 2020 Water Treatment Plant Upgrade, fourth sentence "Nick" should be "**Nick Baker**". In that same paragraph, "in-plate settlers" should read "**plate settlers**".

- I. Merrill Walker moved to approve the minutes of the November 13, 2019 Board meeting with the corrections as noted. Nancy Belk seconded the motion. Motion carried.

NEW BUSINESS:

- * **Approval of Pay Application No. 2 to KLE Construction for the Johnson Lane Highway 87E water main extension**

KLE Construction presented Pay Application No. 2 for the Johnson Lane Highway 87E

A task order amendment will be presented more than likely in January which will be to finish the PER. The original task order that was done was for the entire PER. However, the cost was reduced because MMI did not complete that portion. The next task order will resume where the first one ended to do public meetings, public outreach, and do the implementation chapter that lines out timing and proposed funding options. It is anticipated Nittany Grantworks will be contacted to prepare the grant applications.

FINANCIAL REPORTS

Trial balance from Yellowstone County as of 11/30/19 is \$56,294.73.

Financial reports attached to the minutes are: Check/Claim Detail for the Accounting Period November, 2019; Trial Balance with Revenue and Expenditures for the Accounting Period November, 2019; Statement of Revenue Budget vs. Actual for the Accounting Period November, 2019; Statement of Expenditures - Budget vs. Actual Report for the Accounting Period November, 2019.

APPROVAL OF BILLS DUE FOR SIGNATURE:

- IV. Nancy Belk moved to approve payment of the bills submitted on the Check/Claim Detail List. Stuart Deans seconded the motion. Motion carried.

OTHER BUSINESS:

*** 2020 Water Treatment Plant Upgrade Project design update**

Jill Cook advised they are still in preliminary design, and are working to finish the basis of design report. There are two additional memos that will be sent to Manager Ariztia and staff. Comments have been returned on memos one through seven. The updates will be compiled and a final basis of design report will be submitted.

Geotech work has been completed, and Jill is waiting on a report from SK Geotechnical who did the work. Survey is scheduled to be done soon. They then will be in final design with the goal of being in construction by summer 2020.

Manager Ariztia advised there will be phone conference this week with the funding agencies to talk about the funding package for the treatment plant upgrades.

*** 2019 Johnson Lane Highway 87 Water Main Project Update**

The next Board meeting will be held on January 8, 2020..

Carlotta Hecker

Attest

W Stuart Deans

Attest